



Thinking Long Term on Energy Supply

By U.S. Sen. John Cornyn

Once again, as we approach the summer driving season, gasoline prices are spiking to record levels. This impacts our state in a significant way.

As I wrote last year, one of the many things that unites Texans is this: we drive. We need our cars and trucks to get to work, to school and to stores. In Texas, gasoline is not a luxury, but a necessity.

Consumers rightly ask: what is their government doing about the situation? The answer: not nearly enough. Congress seems particularly bogged down in energy policy, preferring short-term political posturing to more far-sighted solutions.

Congress can do many things, but it cannot repeal the law of supply and demand. In the long term, conservation and alternative energy sources hold great promise. But our growing economy requires more energy now, and that means clearing away barriers to producing that supply.

We have made some limited progress. Last year, the President signed a law I co-sponsored that opens 8.3 million acres of offshore oil and gas development. This will eventually bring an estimated 1.26 billion barrels of oil and 5.8 trillion cubic feet of gas into our energy supplies. That will also reduce modestly our dependence on foreign energy sources.

The price of a barrel of oil this spring is about \$10 less than it was a year ago. The problem this year is diminished refinery capacity for making gasoline.

Because of high costs, regulatory red tape and public opposition, refiners haven't built a new facility anywhere in the U.S. since 1976—more than 30 years ago. We are now down from a high of 324 U.S. refineries to only 132.

The refinery system in America is under such strain that any outages or disruptions are quickly felt in the market, in the form of increased prices.

As refineries get older, they require more downtime for repairs. News reports indicate that two Texas facilities—a 170,000 barrel-per-day plant in McKee and a 470,000 barrel-per-day operation in Texas City—have been shut or slowed by maintenance problems this year.

Some of the reaction in Congress has not been productive. Last year, a modest attempt

to rein in excessive regulatory burdens on the refinery industry—to allow expansion and more gasoline production—was shot down by Senate opponents.

This year, faced with consequences of their action, the same opponents are trying to blame the energy industry. They alternately blame refiners for failing to maintain their facilities, and suggest any shutdowns for repairs are an attempt at manipulating gasoline supply. Instead of doing something about the problem, they are playing the blame game.

Several federal investigations, including an exhaustive inquiry last year by the Federal Trade Commission, found no evidence that energy companies have manipulated prices. In fact, investment by major companies in finding new energy sources has never been higher.

I hope Congress can somehow reverse field this year and come together on a bipartisan attempt to find real solutions to our energy problems. That will include increased attention to alternative sources, including nuclear power, clean coal technology, biofuels, solar power and wind power.

All of these technologies would benefit our environment and our economy. They hold promise, but some won't pay off for many years.

In the meantime, any realistic plan must involve increasing supply of major current sources of energy.

As gas prices move to the \$3 per gallon level and above, a renewed push for a national consensus on energy policy is badly needed. What we've seen recently is political point-scoring. Our national interest requires longer-term thinking.

Sen. Cornyn serves on the Armed Services, Judiciary and Budget Committees. In addition, he is Vice Chairman of the Senate Select Committee on Ethics. He serves as the top Republican on the Judiciary Committee's Immigration, Border Security and Refugees subcommittee and the Armed Services Committee's Airland subcommittee. Cornyn served previously as Texas Attorney General, Texas Supreme Court Justice and Bexar County District Judge. For Sen. Cornyn's previous Texas Times columns: www.cornyn.senate.gov/column